



MINUTES OF MEETING HELD JULY 25, 2018

Multistate Tax Commission Annual Business Meeting

The Westin Boston Waterfront
 425 Summer Street
 Boston, Massachusetts

2:00 p.m. to 5:00 p.m. Eastern Time

I. Roll Call of the States

The Chair, John Valentine, Utah, called the meeting to order at 2:06 p.m. with a roll call. He confirmed the presence of a quorum and asked other participants to introduce themselves. The following is a list of members and participants:

Holly Coon	Alabama Department of Revenue
Brandon Spanos	Alaska Department of Revenue
Walter Anger	Arkansas Department of Finance and Administration
Tom Atchley	Arkansas Department of Finance and Administration
Scott Fryer	Arkansas Department of Finance and Administration
John Theis	Arkansas Department of Finance and Administration
Ryan Doerflein	Colorado Department of Revenue
Michael (Scott) Hathaway	Colorado Department of Revenue
Heidi Humphrys	Colorado Department of Revenue
Brendon Reese	Colorado Department of Revenue
Misgana Tesfaye	Colorado Department of Revenue
Richard C. Dotson	District of Columbia Office of Tax and Revenue
Keith Richardson	District of Columbia Office of Tax and Revenue
Steven Alvarez	Georgia Department of Revenue
Edward Collins	Hawaii Department of Taxation
Don Kuriki	Hawaii Department of Taxation

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Madelaina Lai	Hawaii Department of Taxation
Ken Roberts	Idaho State Tax Commission
Tom Shaner	Idaho State Tax Commission
Randy Tilley	Idaho State Tax Commission
Steve Wynn	Idaho State Tax Commission
Karryl Romain	Louisiana Department of Revenue
Deborah Irwin	Massachusetts Department of Revenue
Melissa Tape	Minnesota Department of Revenue
Sal Tomaselli	Missouri Department of Revenue
Joel Walters	Missouri Department of Revenue
Gene Walborn	Montana Department of Revenue
Robert Dudley	New Hampshire Department of Revenue
John Fraiser	New Hampshire Department of Revenue
Darrick Gartley	New Hampshire Department of Revenue
Cory Rayner	New Hampshire Department of Revenue
Lindsey Stepp	New Hampshire Department of Revenue
Keen Wong	New Hampshire Department of Revenue
John Ficara	New Jersey Division of Taxation
Janice Shannon	New Mexico Taxation and Revenue Department
Dee Wald	North Dakota Office of State Tax Commissioner
Katie Lolley	Oregon Department of Revenue
Anita Conner	Pennsylvania Department of Revenue
Tommy Hoyt	Texas Comptroller of Public Accounts
Nancy Prosser	Texas Comptroller of Public Accounts
Tiffany Southworth	Utah State Tax Commission
John Valentine	Utah State Tax Commission
Craig Burns	Virginia Department of Taxation
Tom Edicola	Virginia Department of Taxation

Gil Brewer	Washington State Department of Revenue
Tripp Baltz	Bloomberg BNA
Ryan Prete	Bloomberg BNA
Virgil Helton	FAST Enterprises
John Mollenkamp	Intuit, Inc.
Craig Johnson	Streamlined Sales Tax Governing Board, Inc.
Gale Garriott	Federation of Tax Administrators
William (Chris) Barber	Multistate Tax Commission
Richard Cram	Multistate Tax Commission
Lila Disque	Multistate Tax Commission
Elliott Dubin	Multistate Tax Commission
Bruce Fort	Multistate Tax Commission
Keith Getschel	Multistate Tax Commission
Brian Hamer	Multistate Tax Commission
Helen Hecht	Multistate Tax Commission
Greg Matson	Multistate Tax Commission
Lawrence Shinder	Multistate Tax Commission
Marshall Stranburg	Multistate Tax Commission
By Phone:	
Wendy Margolis	Multistate Tax Commission
Bill Six	Multistate Tax Commission

II. Initial Public Comment Period and Other Communications

There were no initial public comments.

III. Approval of Minutes of the Annual Business Meeting held August 2, 2017

Nancy Prosser, Texas, moved for approval of the minutes as written. The motion passed unanimously by voice vote.

IV. Report of the Treasurer

Ms. Prosser reported that since the Executive Committee meeting in April, Delaware decided to cease participation in the National Nexus Program, which caused a small reduction in program fee revenues. Ken Roberts, Idaho, moved to ratify the budget for the upcoming year. The motion passed unanimously by voice vote.

V. Report of the Executive Director

Greg Matson, Executive Director, announced that Virginia is now an associate member state. He also congratulated Richard Cram on his work for the National Nexus Program, especially regarding the recent Online Marketplace Seller Voluntary Disclosure Initiative.

VI. Reports of the Executive Committee and Other Committees

A. Committee Reports

1. Executive Committee

Mr. Matson reported that the Executive Committee met four times from July 1, 2017, to June 30, 2018:

- August 3, 2017, in Louisville, Kentucky;
- November 17, 2017, in New Orleans, Louisiana;
- January 8, 2018, via teleconference; and
- April 26, 2018, in Bloomington, Minnesota.

These were all regular meetings which are documented in his written report and the minutes of the meetings. He referred those interested to his written report for additional details.

2. Audit Committee

Frank Hales, Utah, presented the Audit Committee report. He noted that they met three times during the fiscal year. At the Louisville meeting, they added eight additional sales tax audits to the audit inventory. He also reported that Larry Shinder was promoted and Harold Jennings retired. Kim Stewart, from the Kansas Department of Revenue, was recently hired. He also reported that they have given several successful trainings during the year.

3. Litigation Committee

Helen Hecht, General Counsel, presented the committee report. The Litigation Committee met two times this year, and in conjunction with those meetings conducted attorney training, which were very well attended. She also noted that the attorney roundtables received positive feedback.

4. Nexus Committee

Randy Tilley, Idaho, reported that the Nexus Committee met three times this year with two additional meetings via teleconference. He further reported that overall collections decreased slightly for the year, but the number of Nexus states' executed agreements increased significantly. He attributed much of the increase in agreements to the Online Marketplace Seller Voluntary Disclosure Initiative.

5. State Intercompany Transactions Advisory Service Committee

Marshall Stranburg, Deputy Executive Director, presented the report. Although the committee did not meet this year, it continues to encourage discussions among the member states. The committee is considering holding a meeting in the fall.

6. Strategic Planning Steering Committee

Ms. Prosser presented the Strategic Planning report. The committee met on August 1, 2017, in Louisville, Kentucky, on November 16, 2017, in New Orleans, Louisiana, and on April 25, 2018, in Bloomington, Minnesota. Ms. Prosser considered the meetings successful and she hopes to build on that success going forward.

7. Uniformity Committee

Holly Coon, Alabama, discussed the projects the committee worked on during the year. The Uniformity Committee met three times during the year with an additional telephone meeting to discuss possible work issues arising after the decision in *Wayfair*. The committee worked on three primary projects over the past year: 1) Sales and Use Tax Information Reporting Model Work Group; 2) Section 18 Regulation Work Group; and 3) Partnership/RAR Project Work Group. She also reported on the discussions from the Audit Committee meeting that occurred the day prior, and stated that those discussions are being forwarded to the Executive Committee for consideration.

B. Commission Action on Executive and Other Committee Reports

Ms. Prosser moved to ratify the actions of the Executive Committee during the past fiscal year and approve the committee reports. The motion passed unanimously by voice vote.

VII. Unfinished Business

There was no unfinished business to be considered at this meeting.

VIII. New Business

A. Uniformity Proposals Before the Commission

1. Proposed Amendment to Model Regulations IV.18.(c) Receipts Factor

2. Proposed Model Regulation IV.18.(k) Receipts Factor – Bank Holding Companies and Subsidiaries

Bruce Fort, Senior Counsel, reported that in 2015, the Multistate Tax Commission adopted a new version of Section 17 and Section 1 of Article IV of the Compact. The new version significantly narrowed the definition of gross receipts. As a result, there was a question about how to source receipts from companies that do not have operational income and receipts of bank holding companies and their subsidiaries. A workgroup developed a set of rules for how to source those receipts. A public hearing was held by Judge William L. Thompson of Alabama, and Judge Thompson prepared a hearing officer report that urged adoption of the model regulations. They went to a Bylaw 7 survey and a sufficient number of states indicated that they would consider adopting. Katie Lolley, Oregon, moved to adopt each of the proposed amendments and the motion for each passed by roll call vote with all states present voting in favor.

B. Other Business (if any)

No other business was discussed.

IX. Report of the Resolutions Committee

There was one new or renewed resolution or policy statement this year, along with a number of honorary resolutions. Resolution No. 2018-01, *Urging Restraint by Congress as States and Other Stakeholders Work Through the Implications of South Dakota v. Wayfair, Inc.*, required a roll call vote. Mr. Roberts moved to adopt the resolution, and the motion passed by roll call vote with 14 in favor and 1 opposed (Montana). The remaining resolutions were honorary, and Gil Brewer, Washington, moved to accept them. The motion passed by voice vote.

X. Report of the Nominating Committee

The nominating committee presented a slate of nominees to fill the officer and at-large positions on the Executive Committee for 2018-2019. There were no nominations from the floor.

XI. Election of Officers and Executive Committee

Brendon Reese, Colorado, moved to adopt the slate of officers for the 2019 year. There was no debate and the motion passed by unanimous voice vote.

XII. Report of the Chair

Chair Valentine delivered a report thanking Massachusetts for hosting and commending the other officers and members of the Commission, and the Commission staff.

XIII. Comments by Chair-Elect

Since Chair Valentine will be continuing as the chair of the Commission, he had no further comments at this point.

XIV. Adjournment

Ms. Prosser moved to adjourn and the meeting concluded at 3:14 p.m.